

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	<u>    </u>	(Y/N)
ADOPTED AS AMENDED	<u>    </u>	(Y/N)
ADOPTED W/O OBJECTION	<u>    </u>	(Y/N)
FAILED TO ADOPT	<u>    </u>	(Y/N)
WITHDRAWN	<u>    </u>	(Y/N)
OTHER	<u>    </u>	

1 Committee/Subcommittee hearing PCB: Insurance & Banking  
2 Subcommittee

3 Representative Caldwell offered the following:

4

5 **Amendment (with title amendment)**

6 Between lines 11 and 12, insert:

7 Section 1. Paragraph (c) of subsection (6) of section 627.351,  
8 Florida Statutes, is amended to read:

9 627.351 Insurance risk apportionment plans.—

10 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

11 (c) The corporation's plan of operation:

12 1. Must provide for adoption of residential property and  
13 casualty insurance policy forms and commercial residential and  
14 nonresidential property insurance forms, which must be approved  
15 by the office before use. The corporation shall adopt the  
16 following policy forms:

17 a. Standard personal lines policy forms that are  
18 comprehensive multiperil policies providing full coverage of a  
19 residential property equivalent to the coverage provided in the  
20 private insurance market under an HO-3, HO-4, or HO-6 policy.

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21           b. Basic personal lines policy forms that are policies  
22 similar to an HO-8 policy or a dwelling fire policy that provide  
23 coverage meeting the requirements of the secondary mortgage  
24 market, but which is more limited than the coverage under a  
25 standard policy.

26           c. Commercial lines residential and nonresidential policy  
27 forms that are generally similar to the basic perils of full  
28 coverage obtainable for commercial residential structures and  
29 commercial nonresidential structures in the admitted voluntary  
30 market.

31           d. Personal lines and commercial lines residential  
32 property insurance forms that cover the peril of wind only. The  
33 forms are applicable only to residential properties located in  
34 areas eligible for coverage under the coastal account referred  
35 to in sub-subparagraph (b)2.a.

36           e. Commercial lines nonresidential property insurance  
37 forms that cover the peril of wind only. The forms are  
38 applicable only to nonresidential properties located in areas  
39 eligible for coverage under the coastal account referred to in  
40 sub-subparagraph (b)2.a.

41           f. The corporation may adopt variations of the policy  
42 forms listed in sub-subparagraphs a.-e. which contain more  
43 restrictive coverage.

44           g. Effective January 1, 2013, the corporation shall offer  
45 a basic personal lines policy similar to an HO-8 policy with  
46 dwelling repair based on common construction materials and  
47 methods.

48           2. Must provide that the corporation adopt a program in

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49 | which the corporation and authorized insurers enter into quota  
50 | share primary insurance agreements for hurricane coverage, as  
51 | defined in s. 627.4025(2)(a), for eligible risks, and adopt  
52 | property insurance forms for eligible risks which cover the  
53 | peril of wind only.

54 | a. As used in this subsection, the term:

55 | (I) "Quota share primary insurance" means an arrangement  
56 | in which the primary hurricane coverage of an eligible risk is  
57 | provided in specified percentages by the corporation and an  
58 | authorized insurer. The corporation and authorized insurer are  
59 | each solely responsible for a specified percentage of hurricane  
60 | coverage of an eligible risk as set forth in a quota share  
61 | primary insurance agreement between the corporation and an  
62 | authorized insurer and the insurance contract. The  
63 | responsibility of the corporation or authorized insurer to pay  
64 | its specified percentage of hurricane losses of an eligible  
65 | risk, as set forth in the agreement, may not be altered by the  
66 | inability of the other party to pay its specified percentage of  
67 | losses. Eligible risks that are provided hurricane coverage  
68 | through a quota share primary insurance arrangement must be  
69 | provided policy forms that set forth the obligations of the  
70 | corporation and authorized insurer under the arrangement,  
71 | clearly specify the percentages of quota share primary insurance  
72 | provided by the corporation and authorized insurer, and  
73 | conspicuously and clearly state that the authorized insurer and  
74 | the corporation may not be held responsible beyond their  
75 | specified percentage of coverage of hurricane losses.

76 | (II) "Eligible risks" means personal lines residential and

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77 commercial lines residential risks that meet the underwriting  
78 criteria of the corporation and are located in areas that were  
79 eligible for coverage by the Florida Windstorm Underwriting  
80 Association on January 1, 2002.

81 b. The corporation may enter into quota share primary  
82 insurance agreements with authorized insurers at corporation  
83 coverage levels of 90 percent and 50 percent.

84 c. If the corporation determines that additional coverage  
85 levels are necessary to maximize participation in quota share  
86 primary insurance agreements by authorized insurers, the  
87 corporation may establish additional coverage levels. However,  
88 the corporation's quota share primary insurance coverage level  
89 may not exceed 90 percent.

90 d. Any quota share primary insurance agreement entered  
91 into between an authorized insurer and the corporation must  
92 provide for a uniform specified percentage of coverage of  
93 hurricane losses, by county or territory as set forth by the  
94 corporation board, for all eligible risks of the authorized  
95 insurer covered under the agreement.

96 e. Any quota share primary insurance agreement entered  
97 into between an authorized insurer and the corporation is  
98 subject to review and approval by the office. However, such  
99 agreement shall be authorized only as to insurance contracts  
100 entered into between an authorized insurer and an insured who is  
101 already insured by the corporation for wind coverage.

102 f. For all eligible risks covered under quota share  
103 primary insurance agreements, the exposure and coverage levels  
104 for both the corporation and authorized insurers shall be

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105 reported by the corporation to the Florida Hurricane Catastrophe  
106 Fund. For all policies of eligible risks covered under such  
107 agreements, the corporation and the authorized insurer must  
108 maintain complete and accurate records for the purpose of  
109 exposure and loss reimbursement audits as required by fund  
110 rules. The corporation and the authorized insurer shall each  
111 maintain duplicate copies of policy declaration pages and  
112 supporting claims documents.

113 g. The corporation board shall establish in its plan of  
114 operation standards for quota share agreements which ensure that  
115 there is no discriminatory application among insurers as to the  
116 terms of the agreements, pricing of the agreements, incentive  
117 provisions if any, and consideration paid for servicing policies  
118 or adjusting claims.

119 h. The quota share primary insurance agreement between the  
120 corporation and an authorized insurer must set forth the  
121 specific terms under which coverage is provided, including, but  
122 not limited to, the sale and servicing of policies issued under  
123 the agreement by the insurance agent of the authorized insurer  
124 producing the business, the reporting of information concerning  
125 eligible risks, the payment of premium to the corporation, and  
126 arrangements for the adjustment and payment of hurricane claims  
127 incurred on eligible risks by the claims adjuster and personnel  
128 of the authorized insurer. Entering into a quota sharing  
129 insurance agreement between the corporation and an authorized  
130 insurer is voluntary and at the discretion of the authorized  
131 insurer.

132 3.a. May provide that the corporation may employ or

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133 otherwise contract with individuals or other entities to provide  
134 administrative or professional services that may be appropriate  
135 to effectuate the plan. The corporation may borrow funds by  
136 issuing bonds or by incurring other indebtedness, and shall have  
137 other powers reasonably necessary to effectuate the requirements  
138 of this subsection, including, without limitation, the power to  
139 issue bonds and incur other indebtedness in order to refinance  
140 outstanding bonds or other indebtedness. The corporation may  
141 seek judicial validation of its bonds or other indebtedness  
142 under chapter 75. The corporation may issue bonds or incur other  
143 indebtedness, or have bonds issued on its behalf by a unit of  
144 local government pursuant to subparagraph (q)2. in the absence  
145 of a hurricane or other weather-related event, upon a  
146 determination by the corporation, subject to approval by the  
147 office, that such action would enable it to efficiently meet the  
148 financial obligations of the corporation and that such  
149 financings are reasonably necessary to effectuate the  
150 requirements of this subsection. The corporation may take all  
151 actions needed to facilitate tax-free status for such bonds or  
152 indebtedness, including formation of trusts or other affiliated  
153 entities. The corporation may pledge assessments, projected  
154 recoveries from the Florida Hurricane Catastrophe Fund, other  
155 reinsurance recoverables, policyholder surcharges and other  
156 surcharges, and other funds available to the corporation as  
157 security for bonds or other indebtedness. In recognition of s.  
158 10, Art. I of the State Constitution, prohibiting the impairment  
159 of obligations of contracts, it is the intent of the Legislature  
160 that no action be taken whose purpose is to impair any bond

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161 indenture or financing agreement or any revenue source committed  
162 by contract to such bond or other indebtedness.

163       b. To ensure that the corporation is operating in an  
164 efficient and economic manner while providing quality service to  
165 policyholders, applicants, and agents, the board shall  
166 commission an independent third-party consultant having  
167 expertise in insurance company management or insurance company  
168 management consulting to prepare a report and make  
169 recommendations on the relative costs and benefits of  
170 outsourcing various policy issuance and service functions to  
171 private servicing carriers or entities performing similar  
172 functions in the private market for a fee, rather than  
173 performing such functions in-house. In making such  
174 recommendations, the consultant shall consider how other  
175 residual markets, both in this state and around the country,  
176 outsource appropriate functions or use servicing carriers to  
177 better match expenses with revenues that fluctuate based on a  
178 widely varying policy count. The report must be completed by  
179 July 1, 2012. Upon receiving the report, the board shall develop  
180 a plan to implement the report and submit the plan for review,  
181 modification, and approval to the Financial Services Commission.  
182 Upon the commission's approval of the plan, the board shall  
183 begin implementing the plan by January 1, 2013.

184       4. Must require that the corporation operate subject to  
185 the supervision and approval of a board of governors consisting  
186 of eight individuals who are residents of this state, from  
187 different geographical areas of this state.

188       a. The Governor, the Chief Financial Officer, the

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189 President of the Senate, and the Speaker of the House of  
190 Representatives shall each appoint two members of the board. At  
191 least one of the two members appointed by each appointing  
192 officer must have demonstrated expertise in insurance and ~~is~~  
193 deemed to be within the scope of the exemption provided in s.  
194 112.313(7) (b). The Chief Financial Officer shall designate one  
195 of the appointees as chair. All board members serve at the  
196 pleasure of the appointing officer. All members of the board are  
197 subject to removal at will by the officers who appointed them.  
198 All board members, including the chair, must be appointed to  
199 serve for 3-year terms beginning annually on a date designated  
200 by the plan. However, for the first term beginning on or after  
201 July 1, 2009, each appointing officer shall appoint one member  
202 of the board for a 2-year term and one member for a 3-year term.  
203 A board vacancy shall be filled for the unexpired term by the  
204 appointing officer. The Chief Financial Officer shall appoint a  
205 technical advisory group to provide information and advice to  
206 the board in connection with the board's duties under this  
207 subsection. The executive director and senior managers of the  
208 corporation shall be engaged by the board and serve at the  
209 pleasure of the board. Any executive director appointed on or  
210 after July 1, 2006, is subject to confirmation by the Senate.  
211 The executive director is responsible for employing other staff  
212 as the corporation may require, subject to review and  
213 concurrence by the board.

214 b. The board shall create a Market Accountability Advisory  
215 Committee to assist the corporation in developing awareness of  
216 its rates and its customer and agent service levels in

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217 relationship to the voluntary market insurers writing similar  
218 coverage.

219 (I) The members of the advisory committee consist of the  
220 following 11 persons, one of whom must be elected chair by the  
221 members of the committee: four representatives, one appointed by  
222 the Florida Association of Insurance Agents, one by the Florida  
223 Association of Insurance and Financial Advisors, one by the  
224 Professional Insurance Agents of Florida, and one by the Latin  
225 American Association of Insurance Agencies; three  
226 representatives appointed by the insurers with the three highest  
227 voluntary market share of residential property insurance  
228 business in the state; one representative from the Office of  
229 Insurance Regulation; one consumer appointed by the board who is  
230 insured by the corporation at the time of appointment to the  
231 committee; one representative appointed by the Florida  
232 Association of Realtors; and one representative appointed by the  
233 Florida Bankers Association. All members shall be appointed to  
234 3-year terms and may serve for consecutive terms.

235 (II) The committee shall report to the corporation at each  
236 board meeting on insurance market issues which may include rates  
237 and rate competition with the voluntary market; service,  
238 including policy issuance, claims processing, and general  
239 responsiveness to policyholders, applicants, and agents; and  
240 matters relating to depopulation.

241 5. Must provide a procedure for determining the  
242 eligibility of a risk for coverage, as follows:

243 a. Subject to s. 627.3517, with respect to personal lines  
244 residential risks, if the risk is offered coverage from an

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245 authorized insurer at the insurer's approved rate under a  
246 standard policy including wind coverage or, if consistent with  
247 the insurer's underwriting rules as filed with the office, a  
248 basic policy including wind coverage, for a new application to  
249 the corporation for coverage, the risk is not eligible for any  
250 policy issued by the corporation unless the premium for coverage  
251 from the authorized insurer is more than 15 percent greater than  
252 the premium for comparable coverage from the corporation. If the  
253 risk is not able to obtain such offer, the risk is eligible for  
254 a standard policy including wind coverage or a basic policy  
255 including wind coverage issued by the corporation; however, if  
256 the risk could not be insured under a standard policy including  
257 wind coverage regardless of market conditions, the risk is  
258 eligible for a basic policy including wind coverage unless  
259 rejected under subparagraph 8. However, a policyholder of the  
260 corporation or a policyholder removed from the corporation  
261 through an assumption agreement until the end of the assumption  
262 period remains eligible for coverage from the corporation  
263 regardless of any offer of coverage from an authorized insurer  
264 or surplus lines insurer. The corporation shall determine the  
265 type of policy to be provided on the basis of objective  
266 standards specified in the underwriting manual and based on  
267 generally accepted underwriting practices.

268 (I) If the risk accepts an offer of coverage through the  
269 market assistance plan or through a mechanism established by the  
270 corporation before a policy is issued to the risk by the  
271 corporation or during the first 30 days of coverage by the  
272 corporation, and the producing agent who submitted the

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273 application to the plan or to the corporation is not currently  
274 appointed by the insurer, the insurer shall:

275 (A) Pay to the producing agent of record of the policy for  
276 the first year, an amount that is the greater of the insurer's  
277 usual and customary commission for the type of policy written or  
278 a fee equal to the usual and customary commission of the  
279 corporation; or

280 (B) Offer to allow the producing agent of record of the  
281 policy to continue servicing the policy for at least 1 year and  
282 offer to pay the agent the greater of the insurer's or the  
283 corporation's usual and customary commission for the type of  
284 policy written.

285

286 If the producing agent is unwilling or unable to accept  
287 appointment, the new insurer shall pay the agent in accordance  
288 with sub-sub-sub-subparagraph (A).

289 (II) If the corporation enters into a contractual  
290 agreement for a take-out plan, the producing agent of record of  
291 the corporation policy is entitled to retain any unearned  
292 commission on the policy, and the insurer shall:

293 (A) Pay to the producing agent of record, for the first  
294 year, an amount that is the greater of the insurer's usual and  
295 customary commission for the type of policy written or a fee  
296 equal to the usual and customary commission of the corporation;  
297 or

298 (B) Offer to allow the producing agent of record to  
299 continue servicing the policy for at least 1 year and offer to  
300 pay the agent the greater of the insurer's or the corporation's

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301 usual and customary commission for the type of policy written.

302  
303 If the producing agent is unwilling or unable to accept  
304 appointment, the new insurer shall pay the agent in accordance  
305 with sub-sub-sub-subparagraph (A).

306       b. With respect to commercial lines residential risks, for  
307 a new application to the corporation for coverage, if the risk  
308 is offered coverage under a policy including wind coverage from  
309 an authorized insurer at its approved rate, the risk is not  
310 eligible for a policy issued by the corporation unless the  
311 premium for coverage from the authorized insurer is more than 15  
312 percent greater than the premium for comparable coverage from  
313 the corporation. If the risk is not able to obtain any such  
314 offer, the risk is eligible for a policy including wind coverage  
315 issued by the corporation. However, a policyholder of the  
316 corporation or a policyholder removed from the corporation  
317 through an assumption agreement until the end of the assumption  
318 period remains eligible for coverage from the corporation  
319 regardless of an offer of coverage from an authorized insurer or  
320 surplus lines insurer.

321       (I) If the risk accepts an offer of coverage through the  
322 market assistance plan or through a mechanism established by the  
323 corporation before a policy is issued to the risk by the  
324 corporation or during the first 30 days of coverage by the  
325 corporation, and the producing agent who submitted the  
326 application to the plan or the corporation is not currently  
327 appointed by the insurer, the insurer shall:

328       (A) Pay to the producing agent of record of the policy,

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329 for the first year, an amount that is the greater of the  
330 insurer's usual and customary commission for the type of policy  
331 written or a fee equal to the usual and customary commission of  
332 the corporation; or

333 (B) Offer to allow the producing agent of record of the  
334 policy to continue servicing the policy for at least 1 year and  
335 offer to pay the agent the greater of the insurer's or the  
336 corporation's usual and customary commission for the type of  
337 policy written.

338

339 If the producing agent is unwilling or unable to accept  
340 appointment, the new insurer shall pay the agent in accordance  
341 with sub-sub-sub-subparagraph (A).

342 (II) If the corporation enters into a contractual  
343 agreement for a take-out plan, the producing agent of record of  
344 the corporation policy is entitled to retain any unearned  
345 commission on the policy, and the insurer shall:

346 (A) Pay to the producing agent of record, for the first  
347 year, an amount that is the greater of the insurer's usual and  
348 customary commission for the type of policy written or a fee  
349 equal to the usual and customary commission of the corporation;  
350 or

351 (B) Offer to allow the producing agent of record to  
352 continue servicing the policy for at least 1 year and offer to  
353 pay the agent the greater of the insurer's or the corporation's  
354 usual and customary commission for the type of policy written.

355

356 If the producing agent is unwilling or unable to accept

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357 appointment, the new insurer shall pay the agent in accordance  
358 with sub-sub-sub-subparagraph (A).

359 c. For purposes of determining comparable coverage under  
360 sub-subparagraphs a. and b., the comparison must be based on  
361 those forms and coverages that are reasonably comparable. The  
362 corporation may rely on a determination of comparable coverage  
363 and premium made by the producing agent who submits the  
364 application to the corporation, made in the agent's capacity as  
365 the corporation's agent. A comparison may be made solely of the  
366 premium with respect to the main building or structure only on  
367 the following basis: the same coverage A or other building  
368 limits; the same percentage hurricane deductible that applies on  
369 an annual basis or that applies to each hurricane for commercial  
370 residential property; the same percentage of ordinance and law  
371 coverage, if the same limit is offered by both the corporation  
372 and the authorized insurer; the same mitigation credits, to the  
373 extent the same types of credits are offered both by the  
374 corporation and the authorized insurer; the same method for loss  
375 payment, such as replacement cost or actual cash value, if the  
376 same method is offered both by the corporation and the  
377 authorized insurer in accordance with underwriting rules; and  
378 any other form or coverage that is reasonably comparable as  
379 determined by the board. If an application is submitted to the  
380 corporation for wind-only coverage in the coastal account, the  
381 premium for the corporation's wind-only policy plus the premium  
382 for the ex-wind policy that is offered by an authorized insurer  
383 to the applicant must be compared to the premium for multiperil  
384 coverage offered by an authorized insurer, subject to the

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385 standards for comparison specified in this subparagraph. If the  
386 corporation or the applicant requests from the authorized  
387 insurer a breakdown of the premium of the offer by types of  
388 coverage so that a comparison may be made by the corporation or  
389 its agent and the authorized insurer refuses or is unable to  
390 provide such information, the corporation may treat the offer as  
391 not being an offer of coverage from an authorized insurer at the  
392 insurer's approved rate.

393 6. Must include rules for classifications of risks and  
394 rates.

395 7. Must provide that if premium and investment income for  
396 an account attributable to a particular calendar year are in  
397 excess of projected losses and expenses for the account  
398 attributable to that year, such excess shall be held in surplus  
399 in the account. Such surplus must be available to defray  
400 deficits in that account as to future years and used for that  
401 purpose before assessing assessable insurers and assessable  
402 insureds as to any calendar year.

403 8. Must provide objective criteria and procedures to be  
404 uniformly applied to all applicants in determining whether an  
405 individual risk is so hazardous as to be uninsurable. In making  
406 this determination and in establishing the criteria and  
407 procedures, the following must be considered:

408 a. Whether the likelihood of a loss for the individual  
409 risk is substantially higher than for other risks of the same  
410 class; and

411 b. Whether the uncertainty associated with the individual  
412 risk is such that an appropriate premium cannot be determined.

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The acceptance or rejection of a risk by the corporation shall be construed as the private placement of insurance, and the provisions of chapter 120 do not apply.

9. Must provide that the corporation make its best efforts to procure catastrophe reinsurance at reasonable rates, to cover its projected 100-year probable maximum loss as determined by the board of governors.

10. The policies issued by the corporation must provide that if the corporation or the market assistance plan obtains an offer from an authorized insurer to cover the risk at its approved rates, the risk is no longer eligible for renewal through the corporation, except as otherwise provided in this subsection.

11. Corporation policies and applications must include a notice that the corporation policy could, under this section, be replaced with a policy issued by an authorized insurer which does not provide coverage identical to the coverage provided by the corporation. The notice must also specify that acceptance of corporation coverage creates a conclusive presumption that the applicant or policyholder is aware of this potential.

12. May establish, subject to approval by the office, different eligibility requirements and operational procedures for any line or type of coverage for any specified county or area if the board determines that such changes are justified due to the voluntary market being sufficiently stable and competitive in such area or for such line or type of coverage and that consumers who, in good faith, are unable to obtain

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441 insurance through the voluntary market through ordinary methods  
442 continue to have access to coverage from the corporation. If  
443 coverage is sought in connection with a real property transfer,  
444 the requirements and procedures may not provide an effective  
445 date of coverage later than the date of the closing of the  
446 transfer as established by the transferor, the transferee, and,  
447 if applicable, the lender.

448 13. Must provide that, with respect to the coastal  
449 account, any assessable insurer with a surplus as to  
450 policyholders of \$25 million or less writing 25 percent or more  
451 of its total countrywide property insurance premiums in this  
452 state may petition the office, within the first 90 days of each  
453 calendar year, to qualify as a limited apportionment company. A  
454 regular assessment levied by the corporation on a limited  
455 apportionment company for a deficit incurred by the corporation  
456 for the coastal account may be paid to the corporation on a  
457 monthly basis as the assessments are collected by the limited  
458 apportionment company from its insureds, but a limited  
459 apportionment company must begin collecting the regular  
460 assessments not later than 90 days after the regular assessments  
461 are levied by the corporation, and the regular assessments must  
462 be paid in full within 15 months after being levied by the  
463 corporation. A limited apportionment company shall collect from  
464 its policyholders any emergency assessment imposed under sub-  
465 subparagraph (b)3.d. The plan must provide that, if the office  
466 determines that any regular assessment will result in an  
467 impairment of the surplus of a limited apportionment company,  
468 the office may direct that all or part of such assessment be

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469 deferred as provided in subparagraph (q)4. However, an emergency  
470 assessment to be collected from policyholders under sub-  
471 subparagraph (b)3.d. may not be limited or deferred.

472 14. Must provide that the corporation appoint as its  
473 licensed agents only those agents who also hold an appointment  
474 as defined in s. 626.015(3) with an insurer who at the time of  
475 the agent's initial appointment by the corporation is authorized  
476 to write and is actually writing personal lines residential  
477 property coverage, commercial residential property coverage, or  
478 commercial nonresidential property coverage within the state.

479 15. Must provide a premium payment plan option to its  
480 policyholders which, at a minimum, allows for quarterly and  
481 semiannual payment of premiums. A monthly payment plan may, but  
482 is not required to, be offered.

483 16. Must limit coverage on mobile homes or manufactured  
484 homes built before 1994 to actual cash value of the dwelling  
485 rather than replacement costs of the dwelling. The corporation  
486 must offer coverage on mobile homes or manufactured homes for a  
487 minimum insured value of at least \$3,000.

488 17. May provide such limits of coverage as the board  
489 determines, consistent with the requirements of this subsection.

490 18. May require commercial property to meet specified  
491 hurricane mitigation construction features as a condition of  
492 eligibility for coverage.

493 19. Must provide that new or renewal policies issued by  
494 the corporation on or after January 1, 2012, which cover  
495 sinkhole loss do not include coverage for any loss to  
496 appurtenant structures, driveways, sidewalks, decks, or patios

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497 that are directly or indirectly caused by sinkhole activity. The  
498 corporation shall exclude such coverage using a notice of  
499 coverage change, which may be included with the policy renewal,  
500 and not by issuance of a notice of nonrenewal of the excluded  
501 coverage upon renewal of the current policy.

502 20. As of January 1, 2012, must require that the agent  
503 obtain from an applicant for coverage from the corporation an  
504 acknowledgment signed by the applicant, which includes, at a  
505 minimum, the following statement:

506  
507 ACKNOWLEDGMENT OF POTENTIAL SURCHARGE

508 AND ASSESSMENT LIABILITY:

509  
510 1. AS A POLICYHOLDER OF CITIZENS PROPERTY INSURANCE  
511 CORPORATION, I UNDERSTAND THAT IF THE CORPORATION SUSTAINS A  
512 DEFICIT AS A RESULT OF HURRICANE LOSSES OR FOR ANY OTHER REASON,  
513 MY POLICY COULD BE SUBJECT TO SURCHARGES, WHICH WILL BE DUE AND  
514 PAYABLE UPON RENEWAL, CANCELLATION, OR TERMINATION OF THE  
515 POLICY, AND THAT THE SURCHARGES COULD BE AS HIGH AS 45 PERCENT  
516 OF MY PREMIUM, OR A DIFFERENT AMOUNT AS IMPOSED BY THE FLORIDA  
517 LEGISLATURE.

518 2. I ALSO UNDERSTAND THAT I MAY BE SUBJECT TO EMERGENCY  
519 ASSESSMENTS TO THE SAME EXTENT AS POLICYHOLDERS OF OTHER  
520 INSURANCE COMPANIES, OR A DIFFERENT AMOUNT AS IMPOSED BY THE  
521 FLORIDA LEGISLATURE.

522 3. I ALSO UNDERSTAND THAT CITIZENS PROPERTY INSURANCE  
523 CORPORATION IS NOT SUPPORTED BY THE FULL FAITH AND CREDIT OF THE  
524 STATE OF FLORIDA.

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525 a. The corporation shall maintain, in electronic format or  
526 otherwise, a copy of the applicant's signed acknowledgment and  
527 provide a copy of the statement to the policyholder as part of  
528 the first renewal after the effective date of this subparagraph.

529 b. The signed acknowledgment form creates a conclusive  
530 presumption that the policyholder understood and accepted his or  
531 her potential surcharge and assessment liability as a  
532 policyholder of the corporation.

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**T I T L E A M E N D M E N T**

538

Remove line 3 and insert:

539

amending s. 627.351, F.S.; requiring the Citizens Property

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Insurance Corporation to offer coverage for mobile and

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manufactured homes for a minimum insured value; amending s.

542

723.06115, F.S.; specifying the procedure

543